



Report to the Auburn City Council

Action Item	14
Agenda Item No.	
<div style="text-align: center; font-size: 2em;">772</div>	
City Manager Approval	

To:	Mayor and City Council Members
From:	Jack Warren, PE Director of Public Works Bernie Schroeder, Engineering Division Manager <i>BS</i>
Date:	June 8, 2009
Subject:	Wastewater Treatment Plant Operations Contract

The Issue

Shall the City approve a contract with CH2M Hill – Operations Management International (OMI) for operations, maintenance and management of the City's Wastewater Treatment Plant?

Conclusion and Recommendation

Staff recommends BY RESOLUTION, authorize the Director of Public Works to execute a contract with CH2M Hill OMI for operations, maintenance and management of the City's Wastewater Treatment Plant.

The final contract is subject to the approval of the City Attorney.

Background

OMI has been operating, maintaining and managing the City's Wastewater Treatment Plant and Sewer Collection System since 1993. In October 2004 the City Council approved a five year contract with CH2M Hill - OMI to continue operations of the Wastewater Treatment Plant and Sewer Collection System which expires on July 1, 2009. The contract was a Direct Cost budget contract with the exception of the Management Fee and performance incentive fee. The Direct Cost budget contract is based on actual costs to run the wastewater treatment plant, maintain the sewer collection system and maintain the sewer lift stations. OMI submits an expenditure report each month outlining the costs for approval by City staff and shows any deviation from the budgeted amount. At the end of each year there is a reconciliation report which reimburses one party or the other. The reconciliation report is also used to determine the budget for the upcoming year. The Direct Cost contract has been very effective given the changing fuel prices, chemical use and operations cost necessary to remain in compliance with the Central Valley Regional Water Quality Control Board discharge requirements.

On February 23rd Council directed staff to prepare a final draft of the contract with CH2M Hill with a three year contract term ending July 1, 2012. Staff has met with CH2M Hill OMI and the final contract is in legal review by both parties.

Contract Details:

Three (3) year contract renewal until July 1, 2012

Management Fee of \$217,747 for FY 09/10 (Year 18) , \$227,546 for FY 10/11 (Year 19), \$237,785 for FY 11/12 (Year 20)

Operate the WWTP

Lift Station Maintenance

Sewer Collection System:

Another element to the CH2M Hill – OMI contract change will be shifting a portion of the collection system maintenance activities from their contract to City Staff. Specifically, the City would allocate one Public Works Maintenance worker to be responsible for cleaning and maintenance of the main sewer lines. Due to our discharge permit requirements, CH2M Hill – OMI would retain the responsibility for the sewer lift stations, Sanitary Sewer Management Plan (SSMP) but the City would assist in the operation of the televising and sewer cleaning equipment in conformance to the approved SSM

Alternatives Available to Council; Implications of Alternatives

1. Proceed with Staff Recommendation
2. Do not proceed with staff recommendation

Fiscal Impact

Currently the City's contract with CH2M Hill – OMI for the operations and maintenance of the WWTP is \$1,643,039 for fiscal year 2008/2009. The proposed contract for fiscal year 2009/10 is \$1,647,149. The contract will still be a direct charge budget for the remainder of the contract term. Adequate funds exist in the sewer fund to cover these expenditures without a necessity to initiate a sewer rate increase at this time.

1 RESOLUTION NO. 08-
2 RESOLUTION AUTHORIZING A CONTRACT FOR OPERATIONS OF THE AUBURN
3 WASTEWATER TREATMENT PLANT.
4 -----

5 THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

6 That the City Council of the City of Auburn does hereby authorize the
7 Director of Public Works to execute a contract with CH2M Hill OMI for
8 operations, maintenance and management of the City's Wastewater Treatment
9 Plant.

10 A true and correct copy of said Contract is attached hereto as Exhibit "A."

11 DATED: June 8, 2009
12

13 _____
14 J.M. Holmes, Mayor

15 ATTEST:

16 _____
17 Joseph G. R. Labrie, City Clerk

18 I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby certify
19 that the foregoing resolution was duly passed at a regular session meeting of
20 the City Council of the City of Auburn held on the 8th day of June 2009 by the
following vote on roll call:

21 Ayes:

22 Noes:

23 Absent:

24 _____
25 Joseph G. R. Labrie, City Clerk
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